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FLOOR DEBATE

February 26, 2003 LB 233A, 487

SENATOR CUDABACK: Thank you, Senator Price. You've heard the opening on the advancement of LB 233A. Open for discussion on that motion. Seeing no lights on, Senator Price, do you wish to close or did you waive? She waives closing. The question before the body is advancement of LB 233A. All in favor of the motion vote aye, opposed nay. Have you all voted who care to? Record please, Mr. Clerk.

CLERK: 29 ayes, 0 nays, Mr. President, on the advancement of LB 233A.

SENATOR CUDABACK: The motion to advance was successful. Mr. Clerk, next agenda item.

CLERK: LB 487 by Senator Redfield. (Read title.) Introduced on January 16 of this year, at that time referred to the Banking, Commerce, and Insurance Committee. Bill was advanced to General File. I do have Banking Committee amendments, Mr. President. (AM0311, Legislative Journal page 577.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Redfield to open on LB 487.

SENATOR REDFIELD: Thank you, Senator Cudaback. Members of the body, I want to tell you that the use of insurance scores have been controversial ever since actuaries identified credit information as a factor in risk exposure. Computer models calculate risk by weighting numerous factors to achieve an algorithmic score. Now the use of credit history for underwriting purposes is permissible under the Federal Fair Credit Reporting Act, and I do have a page here that was put out by the Nebraska Department of Insurance. It's their newsletter, volume 1, Spring of 2002, from our director on the use of credit scoring, which does occur in the state of Nebraska. I have served, this is my fifth year, on the National Conference of Insurance Legislators Exec Board, and the Property Casualty Committee there has been working for over two years to create a model act on the use of credit scores in the...for insurance purposes. Now why? Because it is controversial; because, in fact, it has created a lot of heartburn for people across the country as they have found that there have been adverse